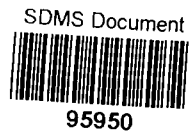


# Vulcan

Materials Company



WILLIAM F. DENSON, III  
SENIOR VICE PRESIDENT, GENERAL COUNSEL  
AND SECRETARY

May 17, 2005

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Kedari Reddy, Esq.  
Assistant Regional Counsel  
U.S. Environmental Protection Agency, Region 2  
290 Broadway – 17<sup>th</sup> Floor  
New York, New York 10007

Re: In the Matter of the Lower Passaic River Study Area  
Portion of the Diamond Alkali Superfund Site:  
Agreement Under Section 122(h) of CERCLA, 42 U.S.C. § 9622;  
U.S. EPA Region 2; Site-Spill ID Number 02-96,  
CERCLA Docket No. 02-2004-2011

Dear Ms. Reddy:

I am responding on behalf of Vulcan Materials Company to the May 3, 2005, Demand Letter of USEPA Region 2 regarding the Lower Passaic River Study Area ("LPRSA").

Vulcan Materials Company understands that pursuant to CERCLA Section 122(h), 42 U.S.C. § 9622(h), EPA has entered into the above-referenced Settlement Agreement effective as of June 22, 2004 (the "Settlement Agreement"), with thirty-one (31) companies (the "Settling Parties"). Vulcan Materials Company has been provided with a copy of the Settlement Agreement and is familiar with its terms and conditions.

Vulcan Materials Company accordingly understands that, as set forth more fully in the Settlement Agreement, the Settling Parties have agreed to provide funding to EPA to conduct the Remedial Investigation / Feasibility Study ("RI/FS") of the LPRSA, and upon fulfillment of the obligations set forth in the Settlement Agreement, EPA has agreed to waive Past Response Costs and to provide a covenant not to sue to the Settling Parties for Past Response Costs and Future Response Costs (Past and Future Response Costs are respectively defined in the Settlement Agreement as costs incurred by EPA in connection with the RI/FS prior to and after the Effective Date thereof). Thus, under the Settlement Agreement, EPA agrees that the Settling Parties have resolved, pursuant to CERCLA Section 122(h), liability to the United States for Past Response Costs and Future Response Costs incurred by EPA at the LPRSA as provided by CERCLA Section 113(f)(3)(B), 42 U.S.C. § 9613(f)(3)(B), and the Settling Parties, in turn, have agreed to provide ten million dollars (\$10,000,000.00) to EPA for its Future Costs. If Future Costs are above ten million dollars, the Settling Parties have reserved all defenses available under the law, and EPA has reserved all of its CERCLA enforcement authorities. Vulcan

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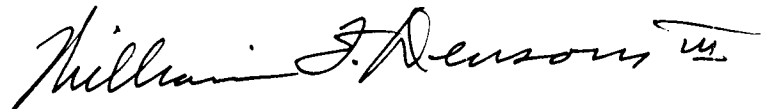
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Kedari Reddy, Esquire  
Assistant Regional Counsel  
May 17, 2005  
Page 2

Materials Company also understands that it is EPA's present intention to permit up to nine (9) additional companies to sign onto the Settlement Agreement, with minor revisions thereto as necessary to include such additional settlors.

Based upon the foregoing understandings, Vulcan Materials Company hereby states that it intends to join the LPRSA Cooperating Parties Group and to sign onto the Settlement Agreement, with the minor revisions as necessary to include the nine additional settlors.

Yours very truly,

A handwritten signature in black ink, reading "William F. Denson, III". The signature is written in a cursive, flowing style with a prominent "W" and "D".

William F. Denson, III

WFDIII/rs

c: William H. Hyatt, Jr., Liaison Counsel to Settling Parties  
Corinne A. Goldstein, Esq.

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